



STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Kenny C. Guinn, Governor

Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

June 22, 2006

Notice of Final Decision **Reclamation Permit No. 0252**

Baker Hughes Oilfield Operations, Inc, d.b.a. Baker Hughes Drilling Fluids **Argenta Mine and Mill Project**

The Nevada Division of Environmental Protection (NDEP) Bureau of Mining Regulation and Reclamation (BMRR) has decided to issue Reclamation Permit, No. 0252, for a Mining Project to Baker Hughes Oilfield Operations, Inc., d.b.a. Baker Hughes Drilling Fluids. This permit authorizes Baker Hughes Drilling Fluids to reclaim the Argenta Mine and Mill Project. This Project is located in Lander County, Nevada. The Division has been provided with an application, in accordance with Nevada Revised Statute (NRS) and Nevada Administrative Code (NAC) 519A to assure the Division that Baker Hughes Drilling Fluids will leave the project site safe, stable, and capable of providing for a productive post-mining land use.

This permit will become final July 3rd, 2006. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to NAC 519A.415. The appeal must be filed by July 2nd, 2006 and in accordance with Administrative rules of the Environmental Commission.

NDEP received one comment letter during the thirty day public notice period for the Notice of Intent. The comment letter received was from the State of Nevada, Department of Wildlife, Reno, Nevada, dated May 16, 2006.

NDOW Comment 1: Numerous wildlife species inhabit the Argenta Rim in the vicinity of the existing Argenta Mine and Mill operation. Mule deer utilize the entire project area during different times of year. Suitable summer range is the limiting factor for mule deer distribution in the Argenta Rim. Sage grouse and chukar are common in the area. There are several raptor species that nest in the existing mine disturbance. Other non game birds and mammals would be expected to utilize the habitat in the vicinity of the proposed project area as well. The presence of a pit lake with poor water quality is a concern for all terrestrial and volant wildlife in the vicinity.

BMRR Response: Comment noted. Pursuant to the Argenta Mine and Mill Water Pollution Control Permit (WPCP) NEV0091045, the Permittee shall submit to the Division a work plan and schedule for the development of a Pit Lake Study for the F-Pit pit lake. BMRR Regulation Branch has received and approved the Permittee's work plan and schedule for the pit lake study.

NDOW Comment 2: Reclamation of mining activity is important to Nevada's wildlife resources. The key to providing benefits to wildlife from reclamation is in developing a suitable vegetative community on the reclaimed disturbance. The Argenta Mine may have to require additional efforts

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due to the acid generation characteristics of the host rock in the F Pit if the site characterization work presently being done demonstrates a potential to generate more acid mine drainage. Protection of the vegetative covers designs to control flux of meteoric water into the waste rock will be paramount to ensuring the waters of the state are not contaminated. The Bureau of Land Management will need to ensure these covers are not compromised by post mining land management practices.

BMRR Response: NAC 519A.330(1)(a) requires that an operator select and establish species of plants that will result in vegetation productivity comparable to that growing on the affected lands before commencement of the exploration project or mining operation, which is required by the manager of the land or which is consistent with the post-mining use of the land. The operator is encouraged to coordinate with NDOW and the BLM in exploring changes to the approved seed mix as appropriate. Any changes will require submission of the modified seed mix to BMRR for review and approval.

NDOW Comment 3: Efforts to salvage as much topsoil as possible should be encouraged. Having topsoil on the reclamation site greatly enhances the opportunity for revegetation success. Seedbed preparation is very important to the success of the reclamation effort. The Argenta Plan of Operations should include provisions to contour the mining disturbance to the natural slope of the surrounding terrain. This would provide a location for vegetation establishment that will be comparable to the surrounding vegetative community and provide good cover and forage for wildlife on the reclaimed disturbance.

BMRR Response: NAC 519A.325 requires an operator to stockpile topsoil, if available, during the initial disturbance and stockpile for use in future reclamation. Topsoil stockpiling must be done if practicable and if necessary for the establishment of the post-mining land use. The operator, in the approved reclamation plan, commits to recontouring slopes to a natural appearing shape. There is insufficient topsoil available for covering disturbances; therefore Baker Hughes is proposing to direct seed all disturbance areas. Baker Hughes commits to conduct test plots to evaluate the success of direct vegetation.

NDOW Comment 4: The reclamation seed mix selected by Baker Hughes should contain a diversity of shrub, forb and grass species necessary to create a post mine site that will be suitable for the wildlife resources in the vicinity. The existing reclamation efforts demonstrate that successful revegetation can occur at the mine site.

BMRR Response: Comment noted.

NAC 519A.415 Appeals to commission.

1. Any person aggrieved by:

(a) The issuance, denial, renewal, suspension, modification, condition or revocation of a permit;
or

(b) The issuance, modification or rescission of any other order,
by the state department of conservation and natural resources may appeal to the commission.

2. Any person who requests a hearing before the commission concerning a final decision of the department pursuant to chapter 519A of NRS may do so by filing a request, within 10 days after notice of the action of the department, on form 3* with the State Environmental Commission, 901 S. Stewart St. Ste. 4001, Carson City, Nevada 89701.

3. The provisions of NAC 445B.875 to 445B.899, inclusive, apply to a hearing of the state environmental commission requested pursuant to subsection 1.

4. The commission will affirm, modify or reverse any action of the department, which is appealed to it.

*(See adopting agency for form.)